

CITY OF WAVERLY, KANSAS

**Financial Statements for the
Year Ended December 31, 2015
And Independent Auditors' Report**

CITY OF WAVERLY, KANSAS

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT	Page 1-2
FINANCIAL STATEMENTS:	
Statement of Cash Receipts, Expenditures and Unencumbered Cash	3
Notes to Financial Statement	4 - 13
SUPPLEMENTARY INFORMATION:	
Schedule of Expenditures - Actual and Budget	14
General Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	15
Special Highway Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	16
Economic Development Fund - Schedule of Cash Receipt and Expenditures - Actual and Budget	17
Park and Recreation Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	18
Water Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	19
Water Reserve Fund - Schedule of Cash Receipts and Expenditures - Actual	20
Sewer Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	21
Solid Waste Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	22
Capital Improvement Fund - Schedule of Cash Receipts and Expenditures - Actual	23
Equipment Reserve Fund - Schedule of Cash Receipts and Expenditures - Actual	24
Infrastructure Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	25
Heck Addition Fund - Schedule of Cash Receipts and Expenditures - Actual and Budget	26
OTHER INFORMATION:	
Schedule of Statistics	27
Mayor and City Council Listing	28
Schedule of Insurance in Force	29

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Council
City of Waverly, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Waverly, Kansas (City), as of and for the year ended December 31, 2015 and the notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Kansas Municipal Audit and Accounting Guide (KMAAG) described in Note 1 in order to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and KMAAG. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As describe in Note 1 of the financial statements, the financial statements are prepared by the City of Waverly, Kansas (City) to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of KMAAG, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Waverly, Kansas as of December 31, 2015, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Waverly, Kansas as of December 31, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of KMAAG described in Note 1.

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances as a whole. The summary of regulatory basis expenditures – actual and budget and individual fund schedules of regulatory basis receipts and expenditures – actual and budget, are presented for purposes of additional analysis and are not a required part of the financial statements, however are required to be presented under the provisions of KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The "Other Information" on pages 27 - 29 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, therefore, we express no opinion on it.

Stephen M. Connelly, CPA, PC

March 20, 2016

CITY OF WAVERLY, KANSAS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
YEAR ENDED DECEMBER 31, 2015

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
General Fund	\$ 93,341	\$ 189,608	\$ 169,730	\$ 113,219
Special Revenue Funds:				
Special Highway Fund	22,016	14,959	14,076	22,900
Economic Development Fund	102,501	25,200	5,950	121,751
Park & Recreation Fund	234	32,708	32,516	427
Enterprise Funds:				
Water Fund	76,786	154,632	155,752	75,666
Water Reserve Fund	115,370	6,362	-	121,732
Sewer Fund	74,244	54,404	51,165	77,484
Solid Waste Fund	28,087	40,731	37,965	30,853
Capital Project Funds:				
Capital Improvement Fund	250,301	3,000	10,284	243,017
Equipment Reserve Fund	135,704	9,100	66,129	78,674
Infrastructure Fund	493,199	127,436	1,775	618,860
Heck Addition Fund	2,976	1,200	2,512	1,665
Total Reporting Entity	\$ 1,394,760	\$ 659,341	\$ 547,853	\$ 1,506,248
Less Transfers		3,000	3,000	
		\$ 656,341	\$ 544,853	
COMPOSITION OF CASH:				
First National Bank				\$ 509,392
Certificates of Deposit				996,781
Petty Cash				75
				\$ 1,506,248

CITY OF WAVERLY, KANSAS

NOTES TO FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Basis of Presentation - Fund Accounting - The accounts of the City of Waverly, Kansas are organized on the basis of funds, each of which is considered a separate accounting entity.

The following types of funds comprise the financial activities of the City for 2015.

Governmental funds:

General fund - to account for all unrestricted resources except those required to be accounted for in other funds or account groups.

Special revenue funds - to account for the proceeds of specific revenue sources or to finance specified activities as required by law or administrative regulation.

Capital project funds - to account for major capital expenditures.

Debt service funds - to account for the payment of interest and principal on long-term general debt obligation.

Proprietary funds:

Enterprise funds - to account for operations that are financed and operated in a manner similar to business enterprises, where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability or other purposes.

- b. Basis of Accounting - These financial statements are presented on a basis of accounting that demonstrates compliance with the cash basis and budget laws of the state of Kansas. The municipality adopts annually a GAAP waiver ordinance which thereby requires this type of special reporting. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. The City had no material encumbrances at December 31, 2015.
- c. Departure from Generally Accepted Accounting Principles - The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as

a reservation of fund balance; encumbrances outstanding at year-end did not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

d. Budgetary Information - Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ended December 31, 2015.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds.

Spending in funds that are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

2. DEPOSITS

At year-end the carrying amount of the City's deposits was \$1,506,248 and the bank balance was \$1,516,638. The differences between the carrying amount and the balance are outstanding checks and deposits in transit. The bank balance is covered by current FDIC insurance up to \$250,000 as well as pledged securities. K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreement; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit investment choices.

3. CERTIFICATES OF DEPOSIT

The following represents a listing of the certificates of deposit at December 31, 2015:

	Maturity Date	Interest Rate	Amount
First National Bank	3/17/2016	0.29%	\$ 59,456
First National Bank	4/23/2016	0.12%	88,173
First National Bank	4/10/2016	0.10%	67,349
First National Bank	5/10/2016	0.33%	55,830
First National Bank	3/3/2016	0.22%	52,343
First National Bank	3/3/2016	0.22%	52,343
First National Bank	6/3/2016	0.28%	250,700
First National Bank	12/3/2016	0.50%	251,252
First National Bank	12/3/2016	0.50%	<u>119,334</u>
			<u>\$ 996,781</u>

4. TAXES

Property Taxes – The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the following year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20, prior to the fiscal year for which they are budgeted, and the second half is due the following May 10.

Motor Vehicle Taxes – Since 1981 most motor vehicles became subject to a special tax paid at the time of registration instead of the traditional property tax. In 1995, the legislature enacted a five-year phase down in the assessment rate on motor vehicles, from 30% to 20% of market value.

In 2015, the City received the following from county and state taxes:

	General Fund	Special Highway Fund	Total
Property Taxes	\$ 115,794	\$	\$ 115,794
Delinquent Taxes	1,313		1,313
Motor Vehicle Taxes	17,891		17,891
State Highway Aid		14,959	14,959
	<u>\$ 134,999</u>	<u>\$ 14,959</u>	<u>\$ 149,958</u>

The assessed valuation in 2014 was \$2,533,283, which was used to determine the mill levy for 2015. The mill levy was 47.264 for 2015.

5. UTILITIES

The City provides water, sewer, and solid waste services. The City reads the meters at the end of each month and mails their utility bills on the first Monday of each month for the previous month's service. The utility bills are due by the 15th day of the following month. Payments received after the 15th are subject to a late charge of 10% on the current month's activity. If bills are not paid by the last day of the month, another 5% penalty will be added. Whenever payment is not made by the due date, the city shall have the right to terminate water service after notice and hearing.

The City requires, at the time of making application for utility service, the property owner or customer shall make a cash deposit in the amount of \$100 set by the governing body to secure payment of accrued bills or bills due on discontinuance of service.

The amount due to the City for utility services as of December 31, 2015 was \$22,517, of which \$19,429 is related to the December billings (due January 15, 2015). The amount due to customers for utility deposits as of December 31, 2015 was \$2,900.

Utility Rates as of December 31, 2015 are as follows:

Water Rates:

Minimum charge	\$21.00 includes 1,000 gallons
Next 9,000 gallons	\$9.75 per 1,000 gallons
Over 10,000 gallons	\$9.30 per 1,000 gallons
Reserve amount	\$2.00 per meter

Sewer Rates:

Minimum charge	\$13.80 includes 2,000 gallons
Excess of 2,000 gallons	\$2.50 per 1,000 gallons
Maximum charge	\$30.00

Solid Waste:

Monthly charge	\$14.65
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6. LONG-TERM DEBT

The City's long-term debt is comprised of Kansas Water Pollution Control Revolving Fund (KWPCRF), which was used to finance the costs related to certain improvements of the City's sewer system, Public Water supply System Revenue Bonds, which were used to pay off an interim loan with the First National Bank of Kansas; and lease-purchase agreements, which were used to finance a police vehicle.

Kansas Water Pollution Control Revolving Fund

In December 1997, the City entered into a 20-year loan agreement with Kansas Department of Health and Environment for the construction of a fourth lagoon cell, including installation of necessary piping and control structures to permit the new cell to function as the first lagoon cell. The four-cell lagoon system design is based on a design flow rate of 89,600 gallons per day.

The amount of the loan is up to \$201,000 (\$37,974 outstanding at December 31, 2015) bearing interest at a rate of 3.22%, principal and interest payments made on a semiannual basis beginning one year after the completion of the project ranging from \$6,687 to \$6,719.

The City shall impose and collect such rates, fees and charges for the use of and services furnished by or through the System, including all improvements and additions through system revenues or levy ad valorem taxes, without limitation as to rate or amount upon all the taxable tangible property, real or personal, to produce amounts which are sufficient to pay the cost of operation and maintenance of the System, pay the principal and interest on the loan, and pay all other amounts due at any time under the loan agreement.

Public Water Supply System Revenue Bonds, Series 2006

On January 26, 2006, the City issued Public Water Supply System Revenue Bonds, Series 2006 in the amount of \$372,000 (\$341,000 outstanding at December 31, 2015), which were used to pay off the interim loan with First National Bank of Kansas. The interim loan with the Bank was used to initially finance the City's Rural Development Water System Project. The Bonds mature in 2046 and have a stated interest rate of 4.5%.

Changes in Long-Term Debt:

	Payable at 1/1/2015	Advances	Payments	Payable at 12/31/2015
KWPCRLF	\$ 49,845	\$	\$ 11,871	\$ 37,974
Revenue Bonds	<u>345,000</u>	<u></u>	<u>4,000</u>	<u>341,000</u>
	<u>\$ 425,478</u>	<u>\$</u>	<u>\$ 15,871</u>	<u>\$ 378,974</u>

Interest Payments:

KWPCRLF	\$ 1,510
Revenue Bonds	<u>15,525</u>
	<u>\$ 17,035</u>

Total Debt Service:

KWPCRLF	\$ 13,381
Revenue Bonds	<u>19,525</u>
	<u>\$ 32,906</u>

Principal and interest payments of long-term debt are as follows:

Year Ending	Principal	Interest	Total
2016	\$ 16,256	\$ 16,470	\$ 32,726
2017	16,654	15,892	32,546
2018	18,064	15,301	33,365
2019	5,000	14,760	19,760
2002	6,000	14,535	20,535
Thereafter	317,000	258,705	575,705
	<u>\$ 378,974</u>	<u>\$ 335,663</u>	<u>\$ 714,637</u>

7. CONTRACTS

In 1994, the City entered into a 40-year agreement with Public Wholesale Water Supply District No. 12 (District) to purchase water up to 4,000,000 gallons of water per month and a guaranteed minimum of 2,000,000 gallons per month. Effective April 1, 2010, the City's guaranteed minimum decreased to 1,800,000 gallons per month. Effective November 1, 2013, the City began paying the District \$4.00 per 1,000 gallons and a minimum \$6,000 per month. In 2015 the City paid \$72,000 for 14,058,000 gallons of water used. The effective rate per 1,000 in 2015 was \$5.12.

In 1980, the City entered into a lease agreement with Unified School District No. 243 Lebo-Waverly, Coffey County, and Kansas which gives the School District the right to occupy and use the pool building in the City of Waverly. The agreement expires December 12, 2079.

The City leases an industrial building and appurtenant facilities to a local company for a monthly rental payment of \$2,100. The current lease is for a renewable one year term and the lessee is responsible for all utilities, insurance, maintenance and property taxes.

In July 1995, the City entered into an agreement with Coffey County Fire District No. 1 of Coffey County, Kansas (Fire District) to establish a joint facility to serve all parties as fire station, city office building and community meeting room. The agreement will be in effect for a term of 99 years.

In February 2015, the City entered into an agreement with Allied Waste Services (Contractor) to provide residential solid waste collection services within the City for a period of 5 years, with an option to negotiate a three-year extension. The current Contractor charges for 5 years are as follows:

	8/1/2013	8/1/2014	8/1/2015	8/1/2016	8/1/2017
Base Rate	\$ 13.00	\$ 13.65	\$ 14.33	\$ 15.05	\$ 15.80
Billing Charge	\$ 1.00	\$ 1.00	\$ 0.97	\$ 0.95	\$ 1.00

8. PENSION PLAN

General Information about the Pension Plan

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by KSA 74-4901, etc. seq. Kansas Law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. KSA 74-4919 and KSA 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 0.85% contribution rate for Death and Disability Program) and the statutory contribution rate was 9.48% for the fiscal year ended December 31, 2015. Contributions to the pension plan from the City were \$8,214 for the year ended December 31, 2015.

Net Pension Liability

At December 31, 2015, the City's proportionate share of the collective net pension liability reported by KPERS was \$61,569. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014, which was rolled forward to June 30, 2015. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

9. COMPENSATED ABSENCES FOR EMPLOYEES

Each employee earns vacation for the years that the employee has been employed. The employee earns one week after their first year and until the end of their third year, two weeks in years four through seven, three weeks in years eight through twelve, and four weeks after twelve years.

Effective January 1, 2002, new employees will accumulate one-half of a day of sick leave per month for three years. At the third anniversary of the employee's start date, the employee shall accumulate one day per month up to 90 days, including those days accumulated the first three years.

10. INTERFUND TRANSFERS

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Capital Improvement Fund	\$ 3,000	\$
General Fund		3,000
	<u>\$ 3,000</u>	<u>\$ 3,000</u>

11. CONCENTRATIONS OF CREDIT RISK

The City is engaged in the sale of water, sewer and sanitation to customers located in Coffey County in Kansas. The City grants credit to those customers and requires no collateral. The City had ten customers that accounted for 22% of the 2015 water gallons sold.

12. GRANT FUNDS

The City receives infrastructure and park and recreation money from Coffey County for improvements. In 2015, the City received \$22,973, which was recorded in the Park & Recreation Fund and \$127,436, which was recorded in the Infrastructure Fund. The City has designated the following funds, which are estimates only, for capital improvements:

	<u>Infrastructure</u>
Sidewalk Program	\$ 138,745
Easement Tree Maintenance	31,210
Pool	17,440
Park	28,011
Miscellaneous	13,815
Undesignated Funds	389,639
	<u>\$ 618,860</u>

13. COMPLIANCE WITH KANSAS LAW

Kansas statutes require that fixed budgets be legally adopted for special revenue and enterprise funds. References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney and legal representatives of the City. There were no apparent statutory violations during the year ended December 31, 2015 for the funds that were part of this audit.

14. RELATED PARTY TRANSACTIONS

The City's banking is with a local financial institution which is owned by the Mayor.

15. RISK MANAGEMENT

The City is subjected to various risks, including liability, workers' compensation, property, etc. The City insures these risks through Employers Mutual Casualty Company. See the Schedule of Insurance for details.

16. LITIGATION

The City was not involved in any litigation at December 31, 2015.

17. SUBSEQUENT EVENTS

Management is not aware of any other subsequent events from the financial statement date through March 20, 2016, the date at which these financial statements were available to be issued, and determined there are no other items to disclose.

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CITY OF WAVERLY, KANSAS

SCHEDULE OF EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2015

	<u>Expenditures</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
General Fund	\$ 169,730	\$ 216,000	\$ 46,270
Special Revenue Funds:			
Special Highway Fund	14,076	14,500	424
Economic Development Fund	5,950	103,000	97,050
Park & Recreation Fund	32,516	42,600	10,084
Capital Project Funds:			
Infrastructure Fund	1,775	250,000	248,225
Heck Addition Fund	2,512	11,300	8,788
Enterprise Funds:			
Water Fund	155,752	233,705	77,953
Sewer Fund	51,165	103,381	52,216
Solid Waste Fund	<u>37,965</u>	<u>65,000</u>	<u>27,035</u>
Total Budgeted Funds	471,441	\$ <u>1,039,486</u>	\$ <u>568,045</u>
Nonbudgeted Funds:			
Capital Improvement Fund	10,284		
Equipment Reserve Fund	<u>66,129</u>		
Total Expenditures	\$ <u>547,854</u>		

CITY OF WAVERLY, KANSAS

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

YEAR ENDED DECEMBER 31, 2015

	2014 Actual	2015 Actual	2015 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
State and County Taxes	\$ 132,098	\$ 134,999	\$ 133,678	\$ 1,321
Interest	1,573	3,399	1,500	1,899
Utility Franchise Taxes	40,888	36,462	35,000	1,462
Fines and Fees	1,251	568	1,018	(450)
Licenses	1,020	1,169	1,600	(431)
Miscellaneous	5,755	13,012	6,500	6,512
Total Cash Receipts	182,585	189,608	\$ 179,296	\$ 10,312
EXPENDITURES:				
Personal Services	68,979	64,406	\$ 70,500	\$ 6,094
Insurance	21,372	28,213	26,000	(2,213)
Contractual Services	11,337	12,013	13,500	1,487
Commodities	5,158	9,364	6,000	(3,364)
Law Enforcement	3,253	5,906	13,000	7,094
Street Lighting	18,531	18,421	17,000	(1,421)
Professional Services	6,011	8,090	10,000	1,910
Public Parks & Building Expense	17,303	16,242	17,000	758
Principal and Interest Payments	-	-	10,000	10,000
Capital Outlay	-	-	10,000	10,000
Other	4,421	4,074	-	(4,074)
Transfer	41,500	3,000	23,000	20,000
Total Expenditures	197,864	169,730	\$ 216,000	\$ 46,270
Receipts over (under) expenditures	(15,279)	19,878		
Unencumbered cash, beginning balance	108,620	93,341		
Unencumbered cash, ending balance	\$ 93,341	\$ 113,219		

CITY OF WAVERLY, KANSAS

SPECIAL HIGHWAY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

YEAR ENDED DECEMBER 31, 2015

	<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2015 Budget</u>	<u>Variance Favorable (Unfavorable)</u>
CASH RECEIPTS:				
County and State Taxes	\$ <u>14,869</u>	\$ <u>14,959</u>	\$ <u>14,860</u>	\$ <u>99</u>
Total Cash Receipts	<u>14,869</u>	<u>14,959</u>	\$ <u>14,860</u>	\$ <u>99</u>
EXPENDITURES:				
Personal Services	<u>13,102</u>	<u>9,967</u>	\$ <u>5,000</u>	\$ <u>(4,967)</u>
Commodities	<u>12,498</u>	<u>4,109</u>	<u>4,500</u>	<u>391</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total Expenditures	<u>25,600</u>	<u>14,076</u>	\$ <u>14,500</u>	\$ <u>425</u>
Receipts over (under) expenditures	<u>(10,731)</u>	<u>884</u>		
Unencumbered cash, beginning balance	<u>32,747</u>	<u>22,016</u>		
Unencumbered cash, ending balance	\$ <u>22,016</u>	\$ <u>22,900</u>		

CITY OF WAVERLY, KANSAS

ECONOMIC DEVELOPMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2015

	2014 Actual	2015 Actual	2015 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Rent	\$ 25,200	\$ 25,200	\$ 28,000	\$ (2,800)
Other	1,050	-	-	-
Interest Income	-	-	-	-
Total Cash Receipts	26,250	25,200	\$ 28,000	\$ (2,800)
EXPENDITURES:				
Contractual	-	-	\$ 6,000	\$ 6,000
Commodities	-	-	5,000	5,000
Capital Outlay	87,912	2,563	25,000	22,437
Economic Development Project	-	-	30,000	30,000
Other	1,288	1,382	27,000	25,618
Personal Services	4,015	2,004	10,000	7,996
Total Expenditures	93,215	5,950	\$ 103,000	\$ 97,050
Receipts over (under) expenditures	(66,965)	19,250		
Unencumbered cash, beginning balance	169,466	102,501		
Unencumbered cash, ending balance	\$ 102,501	\$ 121,751		

CITY OF WAVERLY, KANSAS

PARK AND RECREATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

YEAR ENDED DECEMBER 31, 2015

	2014 Actual	2015 Actual	2015 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Coffey County Grant	\$ 22,973	\$ 22,973	\$ 22,973	\$ -
Alcohol Tax	169	-	-	-
Reimbursements	-	-	4,000	(4,000)
Park & Recreation Receipts	11,884	9,736	15,000	(5,264)
Total Cash Receipts	35,025	32,708	\$ 41,973	\$ (9,264)
EXPENDITURES:				
Personal Services	18,209	26,066	\$ 19,000	\$ (7,066)
Contractual	-	-	3,800	3,800
Insurance	8,203	-	4,000	-
Parks and Recreation	8,343	5,483	3,800	(1,683)
Public Parks and Buildings	1,180	911	-	(911)
Capital Outlay	-	-	4,000	4,000
Commodities	95	56	4,000	3,944
Other	-	-	4,000	4,000
Total Expenditures	36,030	32,516	\$ 42,600	\$ 6,084
Receipts over (under) expenditures	(1,005)	193		
Unencumbered cash, beginning balance	1,238	234		
Unencumbered cash, ending balance	\$ 234	\$ 427		

CITY OF WAVERLY, KANSAS

WATER FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

YEAR ENDED DECEMBER 31, 2015

	2014 Actual	2015 Actual	2015 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Water Sales	\$ 144,565	\$ 147,623	\$ 180,000	\$ (32,377)
Special Charges	200	687	3,000	(2,313)
Water Sales - Bulk	2,326	776	3,000	(2,224)
Late Fees	3,641	3,846	5,500	(1,654)
Connecting Fees			1,500	(1,500)
Water Deposits	1,000	1,700	4,000	(2,300)
Interest			-	-
Total Cash Receipts	151,732	154,632	\$ 197,000	\$ (42,368)
EXPENDITURES:				
Personal Services	40,365	44,590	\$ 55,000	\$ 10,410
Contractual	10,341	15,019	15,000	(19)
Commodities	7,553	3,423	13,000	9,577
Capital Outlay	-	-	30,000	30,000
Water Deposit Refunds	1,575	1,100	4,000	2,900
Water Purchases	72,000	72,000	80,000	8,000
Water Project - Principal	4,000	4,000	4,000	-
Water Project - Interest	15,705	15,525	15,705	180
Other	689	96	12,000	11,904
Transfer			5,000	5,000
Total Expenditures	152,227	155,752	\$ 233,705	\$ 77,953
Receipts over (under) expenditures	(495)	(1,120)		
Unencumbered cash, beginning balance	77,281	76,786		
Unencumbered cash, ending balance	\$ 76,786	\$ 75,666		

CITY OF WAVERLY, KANSAS

WATER RESERVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL YEAR ENDED DECEMBER 31, 2015

	<u>2014</u> <u>Actual</u>	<u>2015</u> <u>Actual</u>
CASH RECEIPTS:		
Water Sales	\$ 6,459	\$ 6,362
Other		
Total Cash Receipts	6,459	6,362
EXPENDITURES:		
Capital Outlay	-	-
Total Expenditures	-	-
Receipts over (under) expenditures	6,459	6,362
Unencumbered cash, beginning balance	<u>108,911</u>	<u>115,370</u>
Unencumbered cash, ending balance	\$ <u><u>115,370</u></u>	\$ <u><u>121,732</u></u>

CITY OF WAVERLY, KANSAS

SEWER FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2015

	2014 Actual	2015 Actual	2015 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Special Charges	\$ -	\$ -	\$ 800	\$ 800
Sewer Charges	55,719	54,404	65,000	10,596
Total Cash Receipts	55,719	54,404	\$ 65,800	\$ 11,396
EXPENDITURES:				
Personal Services	29,943	32,677	\$ 40,000	\$ 7,323
Employee Benefits			3,000	3,000
Contractual	3,005	3,530	5,000	1,470
Commodities	2,723	1,577	6,000	4,423
Principal Payments	11,497	11,871	10,447	(1,423.62)
Interest Payments	1,883	1,510	2,934	1,424
Capital Outlay			23,000	23,000
Miscellaneous			5,000	5,000
Transfer	6,000	-	8,000	8,000
Total Expenditures	55,051	51,165	\$ 103,381	\$ 52,216
Receipts over (under) expenditures	668	3,240		
Unencumbered cash, beginning balance	73,576	74,244		
Unencumbered cash, ending balance	\$ 74,244	\$ 77,483.51		

CITY OF WAVERLY, KANSAS

SOLID WASTE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2015

	2014 Actual	2015 Actual	2015 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Solid Waste Charges	\$ 39,536	\$ 40,731	\$ 45,000	\$ (4,269)
Total Cash Receipts	39,536	40,731	\$ 45,000	\$ (4,269)
EXPENDITURES:				
Contractual	35,880	37,410	\$ 39,000	\$ 1,591
Capital Outlay	-	-	16,000	16,000
Commodities	622	555	10,000	9,445
Total Expenditures	36,502	37,965	\$ 65,000	\$ 27,035
Receipts over (under) expenditures	3,034	2,766		
Unencumbered cash, beginning balance	25,053	28,087		
Unencumbered cash, ending balance	\$ 28,087	\$ 30,853		

CITY OF WAVERLY, KANSAS

CAPITAL IMPROVEMENT FUND SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL YEAR ENDED DECEMBER 31, 2015

	2014 Actual	2015 Actual
CASH RECEIPTS:		
Donations	\$ -	\$ -
Interest income	4	-
Grant	300,253	-
Transfer	38,500	3,000
Total Cash Receipts	338,757	3,000
EXPENDITURES:		
Commodities	125	4,934
Other	2,227	529
Capital Outlay	1,612	4,821
Total Expenditures	3,964	10,284
Receipts over (under) expenditures	334,793	(7,284)
Unencumbered cash, beginning balance	(84,492)	250,301
Unencumbered cash, ending balance	\$ 250,301	\$ 243,017

CITY OF WAVERLY, KANSAS

EQUIPMENT RESERVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL YEAR ENDED DECEMBER 31, 2015

	2014 Actual	2015 Actual
CASH RECEIPTS:		
Other	\$ -	\$ 9,100
Transfers	9,000	-
Total Cash Receipts	9,000	9,100
EXPENDITURES:		
Contractual	2,623	56,570
Commodities	8,255	9,559
Capital outlay	-	-
Total Expenditures	10,878	66,129
Receipts over (under) expenditures	(1,878)	(57,029)
Unencumbered cash, beginning balance	137,582	135,704
Unencumbered cash, ending balance	\$ 135,704	\$ 78,675

CITY OF WAVERLY, KANSAS

INFRASTRUCTURE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
YEAR ENDED DECEMBER 31, 2015

	2014 Actual	2015 Actual	2015 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Coffey County Grant	\$ 127,436	\$ 127,436	\$ 285,945	\$ (158,509)
Total Cash Receipts	127,436	127,436	\$ 285,945	\$ (158,509)
EXPENDITURES:				
Personal Services	3,409	1,775	\$ 10,000	\$ 8,225
Contractual	-	-	12,500	12,500
Commodities	-	-	12,500	12,500
Transfers	-	-	-	-
Capital Outlay	69,336	-	215,000	215,000
Total Expenditures	72,745	1,775	\$ 250,000	\$ 248,225
Receipts over (under) expenditures	54,691	125,661		
Unencumbered cash, beginning balance	438,508	493,199		
Unencumbered cash, ending balance	\$ 493,199	\$ 618,860		

CITY OF WAVERLY, KANSAS

HECK ADDITION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

YEAR ENDED DECEMBER 31, 2015

	2014 Actual	2015 Actual	2015 Budget	Variance Favorable (Unfavorable)
CASH RECEIPTS:				
Heck Lots Sold	\$ -	\$ -	\$ 10,000	10,000
Rents	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Total Cash Receipts	1,200	1,200	\$ <u>11,200</u>	\$ <u>10,000</u>
EXPENDITURES:				
Personal Services	2,113	2,512	\$ 3,000	\$ 488
Professional Services	-	-	2,300	2,300
Contractual	-	-	500	500
Commodities	-	-	500	500
Capital Outlay	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total Expenditures	<u>2,113</u>	<u>2,512</u>	\$ <u>11,300</u>	\$ <u>8,788</u>
Receipts over (under) expenditures	(913)	(1,312)		
Unencumbered cash, beginning balance	<u>3,890</u>	<u>2,976</u>		
Unencumbered cash, ending balance	\$ <u>2,976</u>	\$ <u>1,665</u>		

CITY OF WAVERLY, KANSAS

SCHEDULE OF STATISTICS
YEARS ENDED DECEMBER 31, 2007-2015

	2007	2008	2009	2010	2011	2012	2013	2014	2015
WATER									
Number of Meters	330	330	330	330	330	330	330	330	330
Gallons of water sold	14,886,019	13,833,039	13,728,450	14,361,600	14,098,226	13,637,435	12,179,200	12,141,779	12,166,200
Gallons of water purchased	16,496,000	15,120,000	15,380,000	16,494,000	16,323,000	16,460,000	18,329,000	15,833,000	14,058,000
Water loss %	9.76%	8.51%	10.74%	12.93%	13.63%	17.15%	33.55%	23.31%	13.46%
Average gallons sold per customer per month	3,759	3,493	3,467	3,627	3,560	3,444	3,076	3,066	3,072
Water sale per customer per month	\$41	\$39	\$37	\$39	\$39	\$41	\$38	\$38	\$39
Water sale per 1,000 gallons	\$10.78	\$10.42	\$10.21	\$10.72	\$10.64	\$11.23	\$10.33	\$10.39	\$10.60
OTHER									
Population	586	586	586	586	592	592	592	592	592
Valuation	\$2,331,271	\$2,526,449	\$2,565,085	\$2,515,679	\$2,528,152	\$2,541,635	\$2,542,366	\$2,536,735	\$2,533,283
Mill Levy	42.860	42.794	42.243	42.243	43.740	43.728	44.862	45.369	47.264
Ad Valorem Taxes Collected	\$103,251	\$105,107	\$105,562	\$104,010	\$108,794	\$109,404	\$112,747	\$114,641	\$114,641

CITY OF WAVERLY, KANSAS

MAYOR AND CITY COUNCIL DECEMBER 31, 2015

<u>Position</u>	<u>Name</u>	<u>Term Expires</u>
Mayor	Craig Meader	2019
1	Jerry Collins	2019
2	David Foster	2017
3	Tammy White	2019
4	Kevin McMillen	2017
5	Nicole Rasmussen	2019

CITY OF WAVERLY, KANSAS

INSURANCE IN FORCE

YEAR ENDED DECEMBER 31, 2015

Policy Type	Expiration Date	Company	Annual Premium	Amount of Coverage	Description
General Liability	4/1/2016	Employers Mutual Casualty Company (EMCC)	\$1,733	1,000,000	Aggregate limit 100,000 Property damage limit 500,000 Personal injury limit 500,000 Advertising injury limit 5,000 Medical expense
Commercial Property	4/1/2016	EMCC	\$19,466	2,610,485	Building and personal property
Linebacker Law Enforcement	4/1/2016	EMCC	\$1,638 \$750	1,000,000 1,000,000	Each loss Aggregate
Workers' Compensation	4/1/2016	EMCC	\$4,643	500,000 500,000 500,000	Bodily injury by accident Bodily injury by each employee Bodily injury by policy limit
Business Auto	4/1/2016	EMCC	\$3,576	500,000 500,000 500,000	Liability Uninsured motorists Underinsured motorists
Inland Marine	4/1/2016	EMCC	\$1,644	180,319	Contractors' equipment